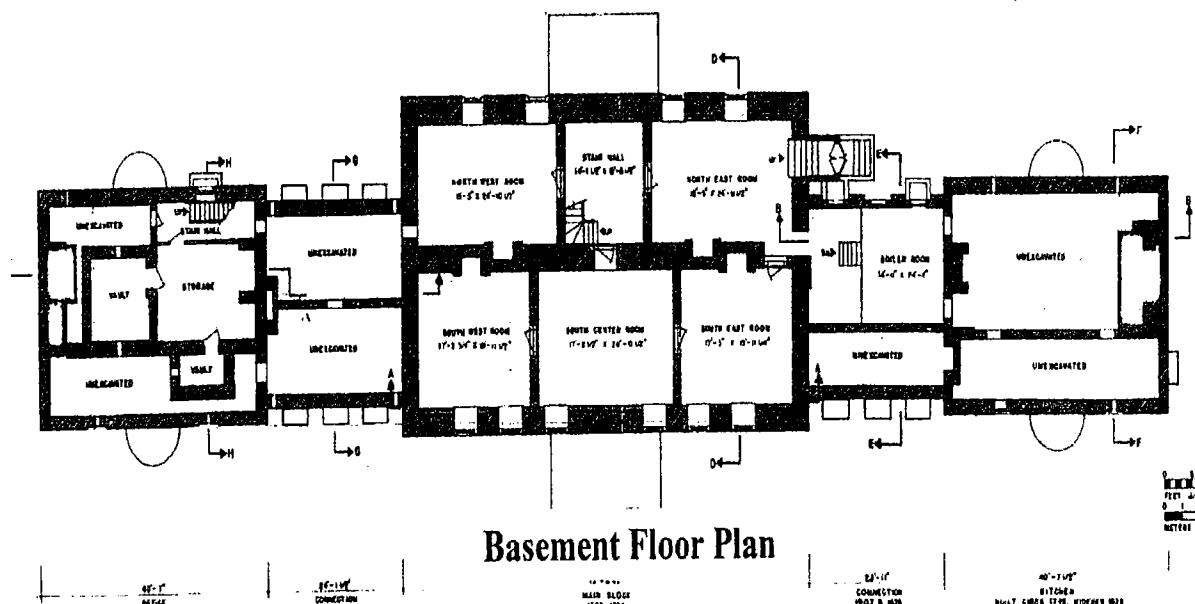


**Third Floor Plan**

Layout: The third floor contains the center hall with access to the sitting room; bedroom; bedroom with full bath; bedroom; and bedroom; jack-n-jill full bath; and bedroom.



**Layout:** The basement contains the stair hall; laundry room with sink and exterior access; chiller room; boiler room; center room with  $\frac{1}{2}$  bath; northwest room and southwest room; storage room; and two vault rooms.

**Furniture, Fixtures, & Equipment (FF&E)**

FF&E is not valued in this appraisal.

**Effective Age and Estimate of Depreciation**

According to public records, the subject property was constructed in 1750 and remodeled in the late-1920's with various renovations and additions. The Marshall Valuation Service indicates that similar buildings have economic lives of 60 years, although the subjects quality and character lie well beyond what conventional homes dictate. The house is over 250-years old, therefore beyond the recommended 60-year life by Marshall Valuation Service. Properties of this quality would typically possess an economic life of at least 100-years, which is what we utilize in the cost approach. The remaining economic life is estimated to be 100 years and the subject property is estimated to have an effective age of 40 years.

**Functional and External Obsolescence**

External obsolescence is the loss in value due to negative influences outside of the subject property. Functional obsolescence is an element of depreciation resulting from deficiencies or superadequacies in the structure. The subject's neighborhood contains various commercial and residential uses, and no external obsolescence was observed. No functional obsolescence has been observed.

**Secondary Structures and Improvements**

There is one tenant house of 2,000 square feet with brick exterior and slate roofing. The first floor contains a dining room with wood flooring, kitchen, pantry, and family room with fireplace and wood flooring. The second floor contains three bedrooms and 1 full bath. There is a partial basement with slab flooring and bath. The house has HVAC.

Near the tenant house are two 2-car garages with wood siding. One has slate roofing and the other has cedar roofing. A small office is also located between the main house and tenant house with wood siding and composition shingle roofing.

There is an elaborate stable that contains approximately 2,100 square feet with arched colonnade and center breezeway carriage pass-through. The brick, with slate roof stable has four stalls, tack room and bathroom. Water, electricity and sewer are present.

The masonry block barn is 1,872 square feet and has seven stalls with automatic watering systems; bathroom with two toilets, sink and VCT tile; and laboratory room. The adjacent wood sided barn contains two rooms and is approximately 1,200 square feet. Water, electricity and sewer are present.

The Rockefeller Museum is an earth sheltered museum bunker containing approximately 6,900 square feet. Constructed of masonry, the building has two double-door access points. The floor plan is basically open except for two bathrooms, utility room and conference room. The interior

flooring is 18" carpet tile; walls are painted drywall and ceiling is acoustical metal panel. The HVAC system is hot and cold chiller system with a humidifier built-in for temperature control. Water, electricity and sewer are present. The museum contains artifacts from the subject site and was part of the tour Colonial Williamsburg conducted on the site.

Overall, the secondary structures are in good to excellent condition.

**SUBJECT RECORDED HISTORY**

The subject is listed in the National Register of Historic Places and the Virginia Historic Landmarks Register, and its history and architecture is recorded by several organizations. The National Register of Historic Places and Colonial Williamsburg have described the property extensively and are presented below.

**Statement of Significance**

This is an excerpt of the 1968 application to the National Register of Historic Place:

One of the best documented of Virginia's colonial mansions, Carter's Grove was begun ca. 1750 for Carter Burwell, grandson of Robert ("King") Carter of Corotoman and son of Nathaniel Burwell of Fairfield, Gloucester County. According to the plantation's account book of 1751-53, the house was constructed by David Minitree of Williamsburg. The mansion's magnificent woodwork was apparently executed by Richard Bayliss, an English joiner whose passage to Virginia was paid for by Carter Burwell. After Burwell's death Carter's Grove passed to his son, Carter Burwell, II, who sold the plantation about 1790 and moved to Clarke County where he built Carter Hall. Although Carter's Grove passed through the hands of several owners during the nineteenth and early-twentieth century's the house stood until 1927 as perhaps the most perfectly preserved of Virginia's great plantation houses. However, in 1927-28 the exterior was radically altered and enlarged in an attempt to give the house a grandiose appearance.

Before its alteration the exterior of Carter's Grove was considered to be a superlative and classically proportioned example of early-Georgian colonial house. Its interior woodwork, which fortunately has not been seriously altered, is regarded by many authorities as the most beautiful of the colonial period in America. While much of the architectural quality of Carter's Grove has been lost as a result of the 1927-28 changes, the house yet remains as one of the supreme examples of colonial craftsmanship.

**National Register of Historic Places**

The following is the listing of the subject in the National Register.

**Carter's Grove \*\*\* (added 1969 - Building - #69000249)**

Also known as **Carter's Grove Plantation**

SE of jct. of Rte. 667 and U.S. 60, Williamsburg

Historic Significance:	Architecture/Engineering
Architect, builder, or engineer:	Talieferro, Richard, Minitree, David
Architectural Style:	Colonial, Other
Area of Significance:	Architecture
Period of Significance:	1750-1799
Owner:	Private
Historic Function:	Domestic

Historic Sub-function:	Secondary Structure, Single Dwelling
Current Function:	Domestic, Recreation And Culture
Current Sub-function:	Museum, Single Dwelling

Source: <http://www.nationalregisterofhistoricplaces.com/VA/James+City/state.html>

### **Colonial Williamsburg History of Subject**

- Site of Wolstenholme Towne, a settlement founded ca.1620 by London Company of Virginia investors
- Property purchased by Robert "King" Carter in 1709 to produce income for his daughter
- House built by Carter Burwell, grandson to Robert Carter
- Burwell family owned property until 1838
- McCrea bought property in 1928
- Rockefeller trust obtained property in 1964
- Carter's Grove given to Colonial Williamsburg in 1969

### **Network of plantations located on banks of Tidewater rivers**

18th-century Williamsburg was the hub in a network of plantations that ranged the banks of Tidewater's rivers – great farms like Carter's Grove eight miles southeast of the capital on the James River.

### **House built by Carter Burwell**

Carter Burwell, whose first and last names combined the inheritance of two first families of Virginia, built the main house on 1,400 acres inherited from his grandfather, Robert "King" Carter of Corotoman in Lancaster County. Called "King" by his enemies for his haughtiness and by his friends for his wealth, at his death Robert Carter held 1,000 slaves, 300,000 acres, and £10,000. The will disposing of his possessions covered 53 sheets of paper.

When Robert Carter's eldest daughter, Elizabeth, born in 1688, married Nathaniel Burwell of Fairfield in Gloucester County in 1709, Carter bought the James River acreage and designated the income it produced for Elizabeth, but he retained ownership of the property.

By that time it seems that all traces of Wolstenholme Towne, a settlement founded on the tract by 1620 by London Company of Virginia investors, had vanished. Archaeologists began to unearth the town site in 1976, and part of it has been schematically reconstructed. Once the administrative center of Martin's Hundred plantation, Wolstenholme Towne was the Jamestown outpost hardest hit in the Uprising of 1622 – a Virginia-wide Indian uprising against the English settlers. The property was still known as Martin's Hundred – the name sometimes corrupted to "Merchant's Hundred" – when Robert Carter bought it.

Carter supervised the farm's operations; Elizabeth lived with her husband at her father-in-law's home north of the York River. Colonel William Byrd saw her there and wrote, "Mrs. Burwell is a very pretty, good humored woman." Widowed in 1721 with four minor children, she married Dr. George Nicholas of Williamsburg in April 1724 and died in 1734. By Robert Carter's will, the plantation passed to Elizabeth's son Carter Burwell, born October 8, 1716, when he turned 21. Carter's will also provided that "This estate in all times to come to be called and to go by the name of Carter's Grove."

#### **Carter Burwell's farm grew foodstuffs instead of tobacco**

Carter Burwell moved to the property about 1737, the year before he married Lucy Grymes of Brandon in Middlesex County. She bore nine children, the first, Nathaniel, arriving April 15, 1750. Her husband served in the House of Burgesses and ran a farm that produced foodstuffs instead of tobacco. He counted among its customers royal governors and Williamsburg innkeepers.

Soon after he moved there in 1737, Burwell began to build a two-and-one-half story, five-bay Georgian brick mansion between an earlier brick kitchen and brick office. Williamsburg bricklayer David Minitree was among the workmen and may be responsible for the rubbed brick around the doorways.

#### **English artisan came from London to finish home's interior**

Burwell brought artisan Richard Baylis, family and all, from London to do the interior woodwork. Baylis paneled the home in walnut and pine, providing its most distinctive features, particularly in the 28-foot-wide hall. A 20th-century admirer noted the grand stairway "in three runs with carved balusters and parquetry of light and dark wood on the half landings, the nail heads on the nosing's covered by plugs of holly or box in three designs, the elliptical arch, the carved brackets, the Sienna marble mantled, fluted Ionic pilasters, and dentilled cornices."

Part of the residence appears to have been modeled after illustrations in William Salmon's "Palladio Londinensis," an architecture book Burwell bought at the *Virginia Gazette* in December 1751.

#### **Carter Burwell only lived in house six months**

The house was completed around November of 1755, but Burwell lived to enjoy it for just six months. He died in May 1756 at age 41. Burwell's son Nathaniel inherited the property when he came of age on April 15, 1771. He graduated the next year from the College of William and Mary, where he won a prize for his scholarship, and married Susannah Grymes.

By then the house was well known. Helen-Louise de Chastenay Maussion, a French traveler, visited in 1787, and wrote: "While on our journey, we stopped at a famous place called Carter Grove, near James River, one of the most elegant habitations in Virginia. It is really a beautiful house."

Susannah Burwell bore seven children, five of whom survived infancy, before she died in 1788. Her husband married widow Lucy Page Taylor in 1789 and fathered eight more offspring. They moved to Carter Hall in Clarke County, where he died in 1814.

#### **Remained in Burwell family until 1838**

Carter's Grove remained in the Burwell family until 1838, when it was sold to Thomas Wynne. For several years, Wynne operated a dock on the property at which riverboat passengers disembarked and rode to Williamsburg in Wynne's "hack."

#### **Archibald and Mollie McCrea bought home that had fallen on disrepair**

There were eight more owners before Archibald and Mollie McCrea of Lawrenceville, Virginia, bought the property from A. G. and Lucy M. Harwood on January 21, 1928. The home was in poor repair. One patriotic occupant had painted Baylis's paneling red, white, and blue. There were chickens in the basement and a hole in the hall ceiling.

McCrea, the son of the president of the Pennsylvania Railroad, was the chairman of the board of the Union Spring and Manufacturing Company of Pittsburgh. Mollie McCrea, a Petersburg, Virginia, belle, was a collateral descendant of the Burwells. The McCreas had the means and the motivation to set things alright.

#### **Richmond architect and Williamsburg landscaper modernized the home and grounds**

The McCreas employed Richmond architect W. Duncan Lee to raise the ridge of the main roof to create room for a full third floor with dormers, rebuild the chimney stacks above the level of the second floor, connect the brick office and brick kitchen to the main house with hyphens, and make modernizations. Much of the work was inspired by William Byrd's Westover. Garden architect Arthur Shurcliff of the Williamsburg restoration did the landscaping.

When they were done, Carter's Grove, standing more than 200 feet long in five sections beneath the shade of its enormous tulip poplars, was an example of architecture's Colonial Revival movement. It is in that form that the house is presented today. Many of the furnishings belonged to the McCreas, and, down to the telephones, the decor is appropriate to the 1930s.

#### **Rockefeller family trust obtained property following death of Mollie McCrea**

Obtained by the Rockefeller family's Sealantic Charitable Trust in 1964 after Mollie McCrea's death, Carter's Grove and 790 of its original acres became part of Colonial Williamsburg in 1969.

Reconstructed on the site is the slave quarter, an exhibition of mud-chinked log buildings much like those that most ordinary colonial Virginians, black and white, called home. The complex interprets the culture developed by African Americans on the site, which dates to the 18th century.

Source: <http://www.history.org/Almanack/places/hb/hbcgrove.cfm>

Originally known as Martin's Hundred, the patch of land that would someday be known as Carter's Grove Plantation was the site of one of the oldest British settlements in Virginia. It was established long before the widespread settlement of the James River area by Europeans and like many pre-colonial settlements, not much is known of the people who lived there. Many settlements were short-lived due to disease and conflicts with Indian tribes. The earliest Europeans established Wolsteholme Towne in approximately 1619.

The village declined during a major Indian revolt in 1622 and was abandoned in 1650. The land was sporadically farmed until the mid-1700's. Carter Burwell, a wealthy planter and the grandson of Robert "King" Carter, designed the main house himself and hired master builder David Minitree to supervise construction in 1750. Samuel Bayliss, a master joiner, moved to Virginia from England in 1751 at Burwell's expense to decorate the first floor parlors and main entranceway to the house in intricately carved classical designs. The two-story brick house was completed in about 1753 as a large Georgian block flanked by two smaller, separate wings containing kitchens, storerooms and offices in a scale and style meant to imitate the great country estates of Great Britain. Burwell was so pleased with the finished product that he made Minitree a generous gift of twenty-five pounds. The Burwell family account books are all that survive from the construction period and as a result, little else is known of Minitree, Bayliss, or other craftsmen who worked on the house.

However, there is much more information available about earlier owners of the property, including the most famous, Robert "King" Carter. When he purchased the mostly undeveloped land along the James River, it contained thousands of acres of trees as well as extremely fertile cultivated land ideal for growing tobacco, which soon became the plantation's primary crop as British demand grew. The enormous wealth produced by intensive tobacco farming fueled an economic boom in Virginia and helped a few planter families rise rapidly in social and political prominence, including Carter. "King" Carter was one of the wealthiest landowners in the colony, at one point possessing four hundred thousand acres of the best farming and riverbank land, which enabled him to ship tobacco and other crops to England efficiently and inexpensively.

He was also fortunate in his family. The Carters were an extensive clan, with blood and marriage ties to nearly every other prominent family in the southern colonies, including the Lees, the Burwell's and the Custises. He had eleven children, many of whom were strategically married off to make valuable allies and business contacts in other colonies. The plantation was not actually called Carter's Grove until about 1750. It was originally known as Corotoman Plantation, until Robert Carter passed it on to his grandson, Carter Burwell. Robert Carter included as a codicil to his last will and testament that the land be renamed "Carter's Grove" and that the name be maintained in perpetuity after his death. Within a year of inheriting the vast estate, the mansion was under construction, using slave labor. Around this time, Burwell married Lucy Grymes, the daughter of another prominent Virginia family. Their son, Colonel Nathaniel Burwell, inherited the property in about 1800, although he soon moved his family to Clarke County, where he had just finished supervising the construction of Carter's Hall, a new

plantation where he spent the rest of his life. Other Burwells occupied Carter's Grove until 1838, when it passed out of their hands.

Carter's Grove, like most old homes, is full of mysteries and legends. The drawing room, better known as the "Refusal Room" is said that in this room, George Washington proposed to Mary Cary and Thomas Jefferson proposed to Rebecca Burwell. Both were turned down because they were thought not good enough.

Not much information is available on the ownership of the house following the Burwells, although the plantation shrank significantly from several thousand acres to less than a thousand. By 1915, the property was at its current size of four hundred acres owned by Dr. Edwin Booth. He sold everything to Molly and Archibald McRae, who would make more alterations to the house than all of the previous owners combined. It was not until the 1950's that any type of archaeological or geological investigation was made on the site. Guided by the scholarship and experience of Ivor Hume, a team of Colonial Williamsburg Foundation archaeologists found layers of forgotten history, some much older than the story of the Carters and Burwells.

They unearthed the remains of early colonial-era slave quarters and the short-lived village of Wolstenhouse Towne, one of the oldest English settlements in North America. Hume's team also discovered abandoned wells partly filled with discarded housewares and weapons dating back to Wolstenholme Towne. Hume and his assistants spent many years unearthing and studying the stratigraphy of the ruins to establish the positions of several structures from the original colony in relation to the mansion, which is now the oldest extant building on the site. The slave quarters were reconstructed accurately on their original site by Colonial Williamsburg to tell the story of the generations of slaves who built the Burwells' fortune.

## **ANALYSIS OF HIGHEST AND BEST USE**

In order to estimate market value, it is first necessary to identify the most profitable, competitive use to which the property can be put. This concept, which is market driven, is known as highest and best use and is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and which results in highest value."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002).

In analyzing the subject property's highest and best use four tests are considered:

- physically possible
- legally permissible
- financially feasible
- maximally productive

### **Highest and Best Use as Though Vacant**

Highest and best use of the land as though vacant assumes that a parcel of land is vacant and available to be developed to its highest economic use, considered in relation to its existing use and all potential uses. This use is the basis of the land valuation.

#### **Physically Possible**

The subject property's land containing 400.532 acres and the subject's neighborhood is improved with numerous historic sites. The parcel is rectangular in shape. The subject is accessed by two points along Pocahontas Trail and one point along Ron Spring Road. Water access is via the James River. The property has an extensive internal road network to several points throughout the property. The subject site is generally rolling and there are limited areas of critical slope (excess of 25%). The site is approximate 60% clear with the remainder wooded. The subject offers excellent views of the James River with over one mile of frontage. Public utilities are available to the subject property, which is typical within the subject neighborhood. There is sufficient utility capacity to serve the site under its highest and best use.

The subject's size, shape, and available utilities would allow low-density residential or commercial uses. During inspection of the site, no obvious environmental problems were noted (see limiting conditions). Portions of the subject along the river are located within the 100-year flood plain. The subject's size, shape, and width allow for uses permitted by its zoning, easements, and other restrictions.

#### **Legally Permissible**

Legally permissible uses include those permitted by deed restrictions and zoning. A title search

is not part of the appraisal process, as stated in the limiting conditions. Under the requirements of the R8 – Rural Residential zoning the subject could be improved with low-density residential uses that conform to the present zoning regulations. The subject is under conservation easement to the Virginia Outdoors Foundation and Virginia Board of Historic Resources, and subdivision of the subject is prohibited. Additional dwellings and farm buildings are, however, allowed within certain areas. Given the limitations and the subject's location, the most likely development would be a high-end residence or estate property. A copy of the relevant zoning ordinance is in the addenda of the report.

### **Financially Feasible**

Financially feasible uses, according to the thirteenth edition of *The Appraisal of Real Estate*, include those that meet the first two tests and are projected to produce a positive return, after satisfying operating expenses, financial obligations, and capital amortization.

The most likely use for the subject, given its location, physical characteristics, and legally permissible use, is for a high-end residence or estate property. Agricultural uses would not be profitable considering the subject's land value. No other uses are nearly as productive as a high-end residence or estate. Other than agricultural and low-density residential uses, there are no other known uses that are legally permissible. The specific type of development that maximizes the site potential is the next step in determining the subject's highest and best use as vacant.

### **Maximally Productive**

The maximally productive use is the use that meets the previous three tests and provides a satisfactory return to the investor. Usually the most decisive factor influencing the highest and best use is the market demand for a particular use. Demand for residential properties in the subject neighborhood is considered good, as evidenced by the market's desire for the neighborhood and prices for residential land (i.e. Kingsmill Condominium units along the river). As vacant, the highest and best use of the subject site would be for residential uses that comply with the applicable zoning and conservation easement. Adjacent uses are mostly high-end low-density residential properties. The subject's maximally productive use, as if vacant, is for a high-end residence or estate.

### **Conclusion**

The subject site has been analyzed to determine its highest and best use as vacant. The demand for residential land in the subject neighborhood is considered good, and the highest and best use for the subject property is for a high-end residence or estate type property, which is consistent with uses in the subject neighborhood and legally allowable uses.

## **Highest and Best Use as Improved**

The subject property has been analyzed to determine its highest and best use as improved. The subject is currently used as an estate, but more recently had been used as an interpretive museum for Colonial Williamsburg. The property has a fine manor house, tenant house, stable, earth sheltered bunker museum, barns, etc. All improvements are physically suited for their individual uses. The only one that might have an alternative use is the earth sheltered museum. This building could continue to be utilized as a private museum (i.e. art, cars, motorcycles, etc.). An alternative use for this building could possibly be a guest/tenant house, but would need interior renovation. It could also be converted to temperature controlled storage with minimal renovation costs. Demand for these uses is directly related to the owner's personal desire. Since the owner and Colonial Williamsburg have a lease agreement for the artifacts, they must be kept in a controlled environment, which currently continues to be the bunker.

The current use is allowed by zoning and the subject's improvements appear to meet all setback, yard, and parking requirements. The subject's main residence is in excellent condition; however, the kitchen and select bathrooms are in need of renovation. The ancillary structures are functionally suited for their respective uses. Overall, the improvements make a very significant contribution to the value of the property as a whole.

The demand for functioning estate properties in Virginia is adequate, as our improved sales indicate; however, the volume of estate property sales has decreased since its height in 2005 and 2006. We conclude that the highest and best use of the subject property as improved is continued use as an estate. The conservation easement restricts the subject's subdivision potential.

## **VALUATION SECTION**

Three distinct methods of estimating value for a property are traditionally used in the appraisal process; however, all three approaches are not applicable in every case:

- The Cost Approach**
- The Sales Comparison Approach**
- The Income Capitalization Approach**

The Cost Approach is the method in which the value of a property is derived by estimating the replacement cost of the improvements, including a provision for entrepreneurial incentive, deducting therefrom the estimated depreciation from all sources, and then adding the market value of the land. The valuation of vacant land is typically undertaken by direct sales comparison. This approach is based on the assumption that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject.

The Sales Comparison Approach involves the comparison of the subject property with similar properties which were recently sold to find evidence of the subject's value. This approach is most reliable when determinable similarities exist between the subject property and the comparable sales. When great variances between the subject property and the comparable sales exist, greater adjustments are required which tend to diminish the reliability of this approach. Comparisons using both physical and economic units of measure are reliable applications of the Sales Comparison Approach.

The Income Capitalization Approach is the method whereby the value of the subject property is based upon the present value of its projected income stream. In accordance with the principle of anticipation, the income approach converts the anticipated benefits to be derived from ownership of a property into an estimate of value. This is the approach of the investor who considers the income stream which the property is capable of producing, as well as the potential for capital gain over a holding period.

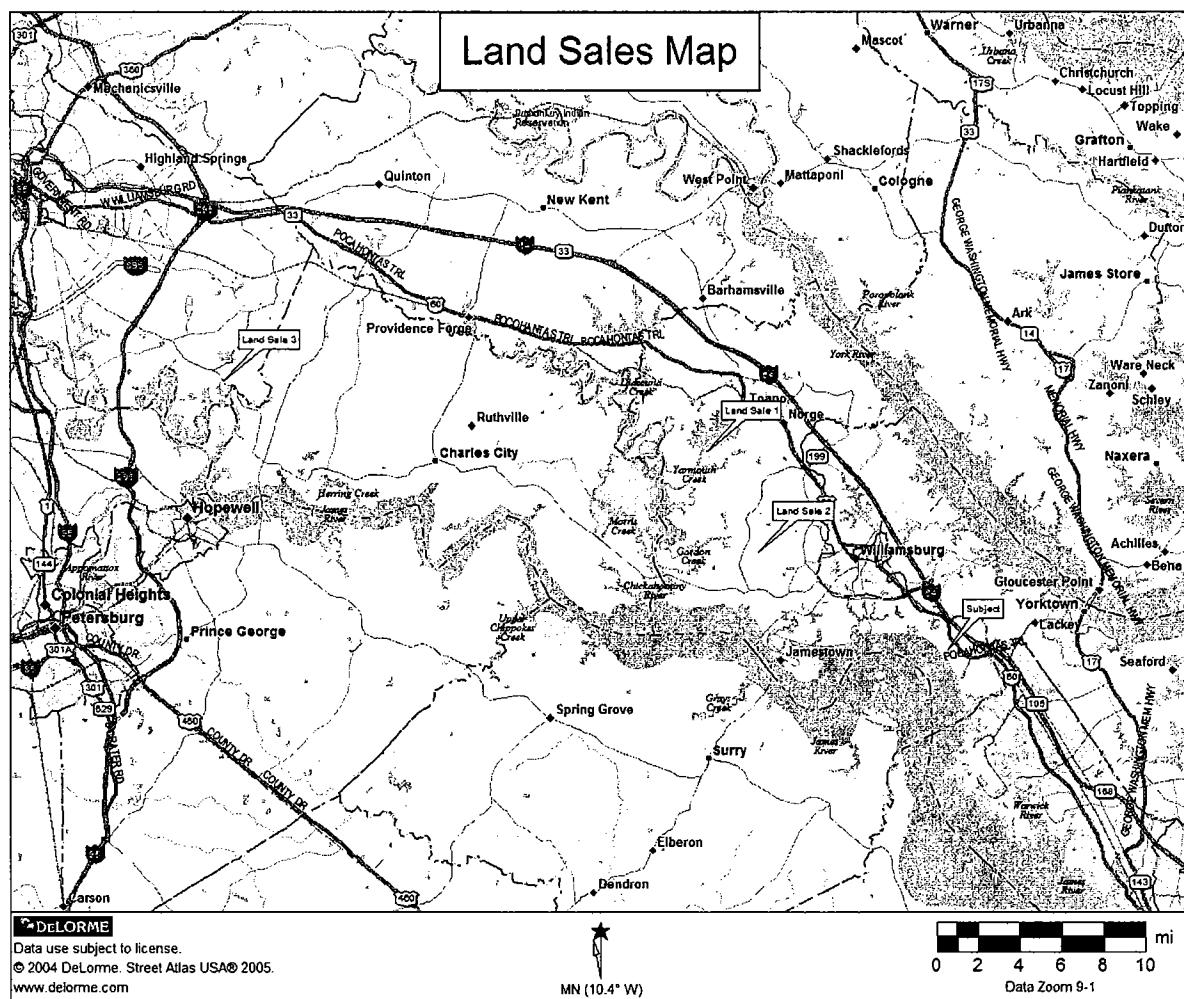
In essence, all approaches to value utilize sales comparison methods, particularly when the purpose of the appraisal is to estimate the property's market value. In applying each valuation approach, the highest and best use of the subject site in relation to its neighborhood and current economic conditions has been considered.

## LAND VALUATION

The valuation of vacant land is typically undertaken by direct sales comparisons (Sales Comparison Approach). The application of this approach produces a value estimate for land by comparing it with similar properties that have recently sold in the same or competitive neighborhoods. The sale price of these properties tends to set the range of value in which the subject property will fall when reduced to an appropriate unit of comparison (i.e., price per acre). Refinement of this data, by the comparative process, should lead to a logical estimate of value as of the date of appraisal.

The reliability of this technique is dependent upon: (1) the degree of comparability of each sale to the subject, (2) market conditions at the time of sale, (3) verification of pertinent data, and (4) the absence of unusual conditions that influence the sale.

Since land sales are extremely rare along the James River in James City County, additional surrounding counties were researched for the best possible comparable sales.



**Land Sale 1:**

Location: 2601 Little Creek Dam Road, James City County, Virginia  
Tax Map: 2140100046  
Grantor: Douglas L. Hornsby Trust  
Grantee: Shepherds Landing Partnership  
Sale Date: January 2008  
Sale Price: \$1,414,500  
Land Size: 205 acres or 8,929,800 sf  
Useable Land Size: 115 acres or 5,009,400 sf  
Development Rights: Limited  
Water Frontage: Yarmouth Creek  
Price per Gross Acre: \$6,900  
Price per Useable Acre: \$12,300  
Property Rights: Fee Simple  
Terms of Sale: Cash to seller  
Conditions of Sale: Typical  
Deed Book/Page: 070024542  
Verification: Public records, reliable third party  
Public Utilities: All available  
Zoning: A-1, Agricultural  
Topography: Rolling/Wooded with slopes towards creek

Comments: This is a transfer of a large tract of land with approximately 1.3 miles of frontage along Yarmouth Creek. Reportedly acquired as part of an assemblage for a future subdivision, but "as is" there is limited development/subdivision potential. Approximately 90-acres are in the Resource Protection Area (RPA). Useable land is based on county GIS mapping. Comprehensive Plan indicates that the future use is rural land. Heavily wooded site.

**Land Sale 2:**

Location: 3889 News Road, James City County, Virginia  
Tax Map: 3730100004  
Grantor: SWR-Hockday, LLC & McMurran  
Grantee: REALTEC, Inc. Ford's Colony  
Sale Date: August 2007  
Sale Price: \$6,000,000  
Land Size: 180.790 acres or 7,875,212 sf  
Development Rights: Limited  
Water Frontage: None  
Price per Acre: \$33,188  
Property Rights: Fee Simple  
Terms of Sale: Cash to seller  
Conditions of Sale: Typical  
Deed Book/Page: 070024542  
Verification: Public records, reliable third party  
Public Utilities: All available  
Zoning: R8, Rural Residential  
Topography: Rolling

Comments: This is a transfer of a site to be developed with a continuing care retirement community. At the time of transfer the site was zoned R-8, Rural Residential. The Grantee is in the process of rezoning the property to R-4, Residential Planned Community, with proffers. It is reported that the original number of units has been scaled back by Realtec, Inc. from 944 to 739. Unit mix will include independent living units, townhouses, assisted living units and skilled care beds.

**Land Sale 3:**

Location: Osborne Turnpike and Old Osborne Turnpike, Both Sides of Route 5, Henrico County, Virginia  
Tax Map: 797-706-5048  
Grantor: See Remarks  
Grantee: Gray Land and Development Company – Tree Hill, LLC  
Sale Date: November 2006  
Sale Price: \$13,300,000  
Land Size: 532.5 acres or 23,195,700 sf  
Useable Land Size: 402.4 acres or 17,528,544 sf  
Development Rights: Limited  
Water Frontage: James River  
Price per Gross Acre: \$24,977  
Price per Useable Acre: \$33,052  
Property Rights: Fee Simple  
Terms of Sale: Cash to seller  
Conditions of Sale: Typical  
Deed Book/Page: 4250/678  
Verification: Public records, reliable third party  
Public Utilities: See Remarks  
Zoning: A-1, Agricultural and M-2, Industrial  
Topography: Rolling/Wooded with slopes towards river

Comments: In December 2007, the property was rezoned to UMUC – Urban Mixed Use District Conditional. This new urbanism development will have up to 2,700 residential units and 1.16 million sf of commercial space. The master plan indicates six space areas or neighborhoods that will be phase developed over 10 or more years.

The land has 130.1 acres of floodplain area. A large portion of the floodplain area will be made into public parking allowing community access to the James River.

Public water is available. A City of Richmond public sewer line crosses the property and the developer is negotiating for access. The seller has potential for further income “kickers” based on a certain level of revenues during the first seven years (expires 2013). The buyer indicated that the seller reported offers that were 10-15% higher, but were subject to rezoning. The property was purchased unzoned.

The property includes a historic 4,500 sf home that was built in 1775 and has been well preserved. The extensive list of rezoning conditions includes significant road improvements to Route 5.

### Sales Data via Price per Acre

The comparable sales presented are analyzed and adjusted by comparing each to the subject property. Physical characteristics used for comparison include location, topography, zoning, public utilities, subdivision potential, and size. Timing and market conditions were also considered. The volume of comparable land sales has been very low and therefore recent comparable land sales in the subject neighborhood and surrounding counties with river accessed area applied. The sales examined occurred between 2006 and 2008.

LAND SALE COMPARISON GRID Carter's Grove, James City County, VA - AS IS				
Sale #	Subject	1	2	3
Sale Price		\$1,414,500	\$6,000,000	\$13,300,000
Price/Acre		\$12,300	\$33,188	\$33,052
Property Rights	Restricted Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Cash	Cash	Cash
Conditions of Sale		Typical	Typical	Typical
Market Conditions	10/3/2009	1/1/2008	8/1/2007	11/1/2006
Adjustments		-9.2%	-7.1%	-3.8%
Adjusted Price/Acre		\$12,300	\$31,528	\$29,747
Location	James City County	James City County	James City County	Henrico
Comparison Adjustment		Similar	Similar	Similar
0.0%		0.0%	0.0%	0.0%
Topography Comparison Adjustment	Rolling/Open/Wooded	Rolling/Wooded Inferior	Rolling/Wooded Similar	Rolling/Sloping/Open Similar
		50.0%	0.0%	0.0%
Water Feature Comparison Adjustment	James River	Yarmouth Creek	None	James River
		Inferior	Inferior	Inferior
		25.0%	25.0%	10.0%
Zoning/Easement Comparison Adjustment	R8, Rural Res, Conservation	A-1, Agricultural Similar	R8 Superior	A-1 and M-2 Superior
		0.0%	-40.0%	-30.0%
Available Utilities Comparison Adjustment	W	All Superior	All Superior	W Similar
		-5.0%	-5.0%	0.0%
Usable Land Size (Acreage) Comparison Adjustment	400.532	115.00 Smaller	180.79 Smaller	402.40 Similar
		0.0%	0.0%	0.0%
Adjusted Price/Acreage		\$20,910	\$25,223	\$23,797

\* Quality/Appeal will not always coincide with the Marshall Valuation Service cost guidelines.

### Property Rights Conveyed

No adjustments were required, as all of the transactions involved fee simple interests.

### Financing

The comparable sales were cash to seller or cash equivalent transactions.

**Conditions of Sale**

All sales were arms'-length transactions reflecting typical motivations of the buyer and seller or grantor and grantee.

**Market Conditions**

The sales occurred between 2006 and 2008. Market conditions generally change over time; therefore, the past sales must be examined in light of the direction of change between the sale date of the comparable and the valuation date of the subject. An annual market appreciation rate of 10% is considered appropriate for vacant agricultural/residential land through 2007 after which land values have declined due to waning demand. An estimated negative 5% annual rate is used in our analysis beginning January 1, 2008. The local and national economies began deteriorating rapidly in the fourth quarter of 2008 and there are no known recent comparable land sales in order to analyze matched pairs. The overall adjusted percentage can be found in the land sales chart.

**Location**

The subject is located along an estate corridor of historic properties along the James River. All the sales have similar locations either along the historic trail or within the subject's neighborhood.

**Topography**

Each of the comparables had distinct topography, with comparables 2 and 3 being similar to the subject. Sale 1 had rolling and heavily wooded topography and is given a positive adjustment.

**Water Feature**

The subject has extensive frontage along the James River at one of its widest and deepest points. All the comparable sales are inferior with either no frontage, creek frontage or frontage along the James River, but at a less desirable point. Positive adjustments are given to all the sales.

**Zoning/Easement**

The subject and comparable1 have similar agricultural/low-density residential zoning and no adjustment is made. Sales 2 and 3 had similar zoning, but were within growth areas which allow for rezoning to higher density uses. The subject is encumbered by a conservation easement which limits possible development. Sales 2 and 3 are considered superior and given negative adjustments.

**Public Utilities**

The subject and comparables 1 and 2 have access to similar public utilities and do not receive an adjustment for utilities. Sale 3 had access to only one utility and is considered inferior, therefore a positive adjustment is made to this sale.

**Size**

The subject's land size is similar to Sale 3. Sales 1 and 2 are smaller than the subject. Matched pair analysis indicates no land size adjustments.

Land Size Comparison Chart		
Sale #	Size (Acre)	\$/Acre
1	115.00	\$20,910
2	180.79	\$25,223
Subject	400.53	--
3	402.40	\$23,797

**Conclusion to Land Value**

After adjustments, the price per acre indicated by the comparables ranges from \$20,910 and \$25,223, with a mean of \$23,310 per acre. The subject and the comparables are unique properties and each of the comparables received a significant level of adjustment for their differences.

Weight is placed on all the sales. A land value near the upper end of the range indicated by the comparables appears reasonable and supportable.

Land Size (Acre) x Price per Acre = Land Value

400.532 acres X \$24,000 = \$9,612,768; **\$9,615,000 Rounded**

## **COST APPROACH TO VALUE**

The Cost Approach is the method in which the value of a property is derived by estimating the replacement cost, or reproduction cost new of the improvements, including a provision for entrepreneurial incentive, deducting there from the estimated depreciation from all sources, and then adding the market value of the land.

### **Cost New Estimate**

The cost estimate in this analysis will be an estimate of the replacement cost based on the data found in the Marshall Valuation Service. The Marshall Valuation Service, a national cost-estimating manual compiled by the Marshall and Swift Publication Company, is utilized to arrive at various direct cost estimates to which indirect costs such as accounting, origination fees, and contingency costs are added.

To estimate the replacement cost of the proposed improvements by use of this valuation service, a comparison is made between the subject improvements and similar structures listed therein. The descriptions of a Type VI, Class C, High-Value Residence, found in Section 12, most accurately fits the description of the subject's main residence. But the construction of this historic house is above the highest value given within the manual. Our experience appraising properties of similar quality indicate up to 50% more than the quoted costs in the manual. Reproducing a similar product would require craftsmanship typically not found in today's market. Along with the manual costs, we will also use our experience of costs associated with similar type properties. The subject's cost is found in the following pages.

### **Entrepreneurial Profit**

Entrepreneurial incentive is a market-derived figure that reflects the amount an entrepreneur or developer expects to receive for his contribution to the development process. A typical rate mentioned by other area Realtors and developers ranges from a 10% to 15%. Entrepreneurial incentive of 5% is projected in this analysis, considering current market conditions.

### **Depreciation of Improvements**

All types of depreciation of the subject improvements are typically considered in determining accrued depreciation, which The Dictionary of Real Estate Appraisal, 4th Edition, defines as "the difference between replacement cost new as of the date of appraisal and the present contributory value of the improvements". Because the subject has various structures, each is depreciated separately along with site improvements, indirect costs, and profit.

<b>COST APPROACH CARTER'S GROVE</b>			
<b>Marshall Valuation</b>			
Class C, High-Value Residence (Main Residence)			
Marshall Valuation Service, Section 12, page 27 (08/08)			
Main Residence Base Price	\$900.00	Current Multiplier	1.000
		Local Multiplier	0.920
		Shape Multiplier- Main	0.98
Units	Price/Sq. Ft.	Cost	
Main Residence- Above Grade	18,709	\$15,181,231	
Main Residence- Below Grade	5,496	\$255,949	
Main Residence- Stoops, etc.	1	\$0	
Main Residence- Fireplaces	17	\$20,000	
Main Residence- Appliances, Security, Fire	1	\$246,500	
Tenant House	2,000	\$51,984	
Barns	3,072	\$193,500	
Garages	1,152	\$79,811	
Stable	2,100	\$33,028	
Earth Sheltered Bunker Museum	6,900	\$54,558	
Fencing		\$1,660,830	
		\$35,000	
<b>Sub Total, Main Structure</b>		<b>\$17,812,390</b>	
<b>Site Improvements</b>			
Site Improvements (roads, landscaping)	5.0%	\$890,620	
<b>Sub Total, Buildings &amp; Site Improvements</b>		<b>\$18,703,010</b>	
<b>Indirect Costs</b>			
Architectural, Engineering, Permits		in base	
Construction Interest		in base	
Contractor's Profit		in base	
RE Taxes, Insurance	1.0%	\$187,030	
Legal, Accounting, Appraisal	1.0%	\$187,030	
Loan Origination	1.0%	\$187,030	
Contingencies, Misc.	2.0%	\$374,060	
Sub Total, Indirect Costs	5.0%	\$935,150	
<b>Total Cost New</b>		<b>\$19,638,160</b>	
Add Entrepreneurial Profit	5.0%	\$981,908	
<b>Replacement Cost New</b>		<b>\$20,620,068</b>	
Deferred Maintenance	10.0%	\$1,963,816	
<b>Depreciated Cost Basis</b>		<b>\$18,656,252</b>	
Main Residence	40%	\$9,849,141	
Tenant House	33%	\$134,467	
Barn	10%	\$74,836	
Garages	33%	\$23,055	
Stable	20%	\$45,474	
Rockefeller Museum	15%	\$1,470,803	
Fencing	20%	\$29,172	
<b>Depreciated Value</b>		<b>\$11,626,949</b>	
<b>Add Land Value</b>		<b>\$9,615,000</b>	
<b>Value Via Cost Approach</b>		<b>\$21,241,949</b>	
<b>Say;      \$21,250,000    Rounded</b>			
Note: Numbers shown many not be exactly reproduced from the information above due to computer rounding			

**Conclusion to Market Value "as is" via the Cost Approach**

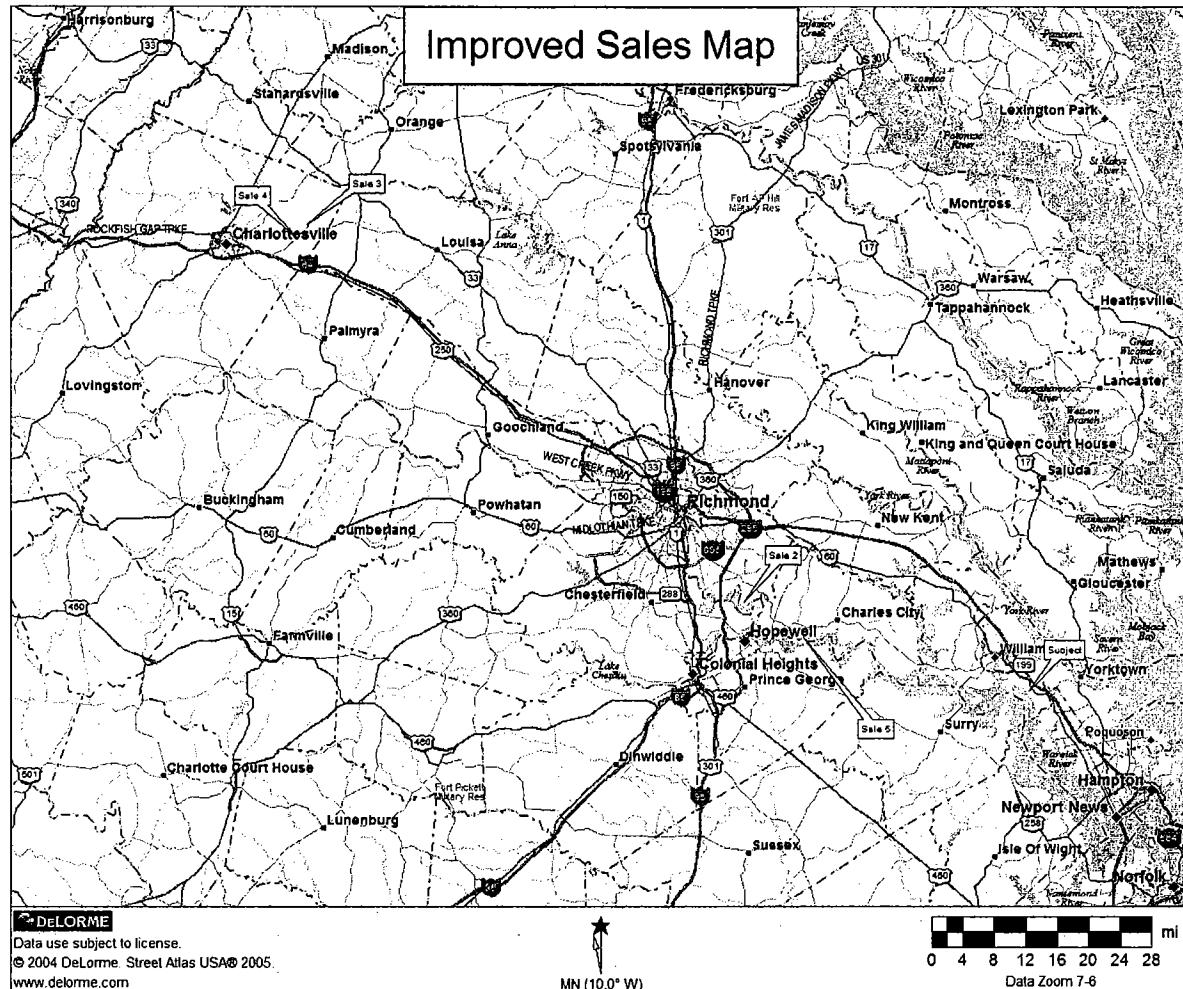
The value of the fee simple estate indicated by the Cost Approach is **21,250,000**. The land value from the previous section (Land Valuation) is added to the improvements value estimated in this section.

## **SALES COMPARISON APPROACH TO VALUE**

The basic principle underlying the Sales Comparison Approach is the principle of substitution. This principle implies that an informed buyer will pay no more for a property than the cost of acquiring a satisfactory substitute property with the same utility as the subject property on the current market. The essence of this approach is to find what dollar amount competitive properties have brought on the local market and what they would have sold for if they had possessed all the basic and pertinent physical and economic characteristics of the subject property. The Sales Comparison Approach is the most applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources.

The Sales Comparison Approach to value uses a very straightforward approach to estimate the current worth of the property. This approach involves the gathering of sales of property in the market place shown as comparable to the subject under analysis. Adjustments are made for the differences inherent in the sales as compared to the subject property. Where the comparable sales are superior to the subject property, a negative adjustment is provided. When the comparable sales are shown to be inferior to the subject property, a positive adjustment is made.

The sales used in the Sales Comparison Approach are considered the most recent and most comparable properties transferred in this market. The volume of recent transactions is very low and comparable data is limited, especially for historic properties as the subject. Negative time adjustments are made for each comparable due to declining market conditions. Properties with and without conservation easements have been used on our analysis. Estimates of value based on the analyses are found on the following pages.





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**Improved Sale 1: Saint Brides**

Location: 9323 St Brides Lane, Upperville, Fauquier County, VA  
Tax Map: 6053457177  
Grantor: Vanoff Enterprises  
Grantee: David and Barbara Roux Family Trust  
Date of Sale: July 1, 2009  
Reference: Deed Book 1322, Page 2271  
Sale Price: \$14,950,000  
Terms of Sale: Cash to Seller  
Main House: 11,197 SF brick veneer w/ slate roof plus 6,373 SF basement that was built in 1917. Home has 4 bedrooms, 4 full bathrooms, and 2 half baths.  
Outbuildings: Barn, run-in sheds, storage building, and two tenant houses.  
Land (Acres): 153-acres  
Price per Acre of Land: \$97,712  
Price per SF of GLA: \$1,225  
Comments: This property sold with an open space easement which encumbers all of the property.

**Improved Sale 2: Curles Neck**

Location: Route 5, Henrico and Chesterfield Counties, VA  
Tax Map: 836-667-5251 and 830-668-794  
Grantor: Curles Neck Farm, Inc.  
Grantee: Curles Neck Properties, Inc.  
Date of Sale: March 6, 2005  
Reference: Deed Book 6986, Page 757  
Sale Price: \$25,500,000  
Terms of Sale: Cash to Seller  
Main House: 6,000 SF brick veneer built in 1896. Home has 5 bedrooms, 2 full bathrooms, and one half bath.  
Outbuildings: There are eight additional residences including a 5,000 sf farm manager's house built in 1900.  
Land (Acres): 5,513.43-acres  
Price per Acre of Land: \$4,625  
Price per SF of GLA: \$4,250  
Comments: Approximately 15 miles southeast of Richmond, this property has nearly 3 miles of frontage along the James River. This portion of the river is as broad and scenic as portions in the Tidewater area. The farm operation encompasses approximately 3,000 tillable acres; 1,000 acres in woodland and pasture; and 800 acres in marshland. The property had competing bidders at the time of sale and sold over its asking price by \$1,500,000.

**Improved Sale 3:****Merifields**

Location: 100 & 300 Merifields Farm Circle (Route 22), Keswick, Albemarle County, VA

Tax Map: TM 65 Parcels 92 & 100

Grantor: Merifields Farm, LLC and Jane Steward Humiston

Grantee: Jaffray P. Woodriff or Merrill Staunton

Date of Sale: July 11, 2008

Reference: Deed Book 3621, Page 434

Sale Price: \$14,600,000

Terms of Sale: Cash to Seller

Main House: 11,716 SF wood sided home w/ slate roof plus 5,429 SF basement (w/ 2,751 SF finished), that was built in 2001. Home has 8 bedrooms and 8 full bathrooms and 4 half baths. Home has a 4 car attached garage, pool, pool house, and clay tennis court.

Outbuildings: 4,884 SF weather board home w/ metal roof and no basement that was built in 1910. Home has 4 bedrooms and 4 bathrooms. 2 car detached garage. 472 SF cottage w/ 2 bedrooms & half bath. 4,358 SF, 2-bedroom, copper roof, home built in 1993. 1,024 SF cottage w/ 2 bedrooms & one bath. 1,596 SF single family home with 2 bedrooms & 1.5 bathrooms. Farm dependencies include 5,928 SF horses barn, and numerous other farm buildings. Adjusted based upon a value of \$1,200,000.

Land (Acres): 416.48

Price per Acre of Land: \$35,056

Price per SF of GLA: \$1,246

Comments: This property sold with only 4 division rights intact. An open space easement encumbers all of the property. The purchaser runs the largest hedge fund in the southeast.

**Improved Sale 4: Clover Hill Farm**

Location: Route 22, Keswick, Albemarle County, VA  
Tax Map: TM 64, Parcel 12  
Grantor: Cloverhill Limited Partnership  
Grantee: C & C, LLC  
Recorded: September 15, 2006  
Reference: Deed Book 3290, Page 71  
Sale Price: \$13,000,000  
Terms of Sale: Cash to seller  
Main House: Brick manor house built in 1830's. Includes 4,415 sf above grade, and 1,387 sf basement, with basement finish. Has 4 bedrooms, 3.5 baths, and 5 fireplaces. The quality of construction is excellent and condition is good.  
Outbuildings: Numerous barns/sheds/storage buildings, swimming pool, garage/equipment shed, three tenant houses, and one cottage. Adjusted based upon a value of \$650,000.  
Land (Acres): 477.00  
Price per Acre: \$27,254  
Verification: Public records, AGI File #2630073, Grantor (not publicly listed for sale)  
Comments: This property sold with only 4 division rights intact. An open space easement encumbers all of the property. The property has good quality fencing and an internal road network. The dependencies are in good condition. This property is currently listed on the market for \$14,500,000 and has been listed on the market since October 2008.

**Improved Sale 5: Evelynton**

Location: 6701 John Tyler Memorial Highway, Charles City, Charles City County, Virginia 23030  
Tax Map: 51-3 and 51-4  
Grantor: Evelynton Associates, L.P.  
Grantee: John A and Jeanine S Hinson  
Recorded: April 23, 2008  
Reference: 080000426  
Sale Price: \$5,100,000  
Terms of Sale: Cash to seller  
Main House: Brick manor house built in 1925s. Includes 6,680 sf above grade. Has 4 bedrooms, 3.5 baths, and 4 fireplaces. The quality of construction is excellent and condition is good.  
Outbuildings: Two tenant houses, boat house and garage.  
Land (Acres): 48.10  
Price per Acre: \$106,029  
Verification: Public records, reliable third party  
Comments: An open space easement encumbers all of the property. The property is along the historic James River Plantation tour.

## **Analysis of the Sales Data**

We selected recent sales of improved estate properties, with the majority encumbered by conservation easements to compare to the subject. Sales of similar type manor homes, with similar appeal have been selected. The volume of transactions has been low for historic properties as the subject, especially in the subject neighborhood, therefore sales from counties with similar amenities were chosen.

**Date of Sale:** The selected sales occurred between 2006 and 2009.

**Location:** The subject and comparables are considered to share similar location attributes and no adjustment is made to the sales.

**Property Rights:** All improved sales transferred fee simple ownership, and no adjustments were made. All of the comparables, except sale 2, were encumbered by conservation easements at the time of sale. The value of the unencumbered property is adjusted in the land value.

**Land:** The subject and the comparables have varying land sizes and the comparables are adjusted for differences in land sizes and differing prices per acre.

**Quality and Condition:** The subject is an excellent quality residence in excellent condition. All of the comparables are considered inferior in quality and condition, and adjustments are made to each sale.

**Age:** The subject was built in 1750 with various renovations and additions. The subject was last renovated in 1980's. Experience tells us that chronological age is not a significant factor in the farm and estate market. The subject has an estimated effective age of 15 years.

**Gross Living Area:** A factor of \$150 per square foot of difference to adjust for the difference in gross living area of the main house.

**Basement Area:** We use a factor of \$15 per square foot to adjust for differences in basement area.

**Basement Finish:** We used a factor of \$25 per square foot to adjust for differences in basement finish.

**Functional Utility:** Functional utility of the subject is good. All comparables were judged of similar utility and no adjustment was made in this category.

**Heating and Cooling:** The subject is fully heated and cooled. All of the comparables, except for sale 2, have similar systems, and no adjustment was made in this category. Sale 2 is adjusted for its lack of cooling.

**Fireplaces:** The subject has seventeen interior fireplaces. Adjustments were made at a rate of \$6,500 per fireplace.

**Garage:** The subject has no garage space and the comparables are analyzed based on the difference in number of car garages and \$10,000 per garage space.

**Historic Designation:** The subject is one of only a few in the United States with such a vast historic significance in improvements and land. None of the comparable properties have such a designation therefore all are given a positive adjustment. Properties as the subject are extremely rare, especially privately owned ones and market extraction is nearly non-existent, but historical analyses indicate up to a 300% market-up of these properties.

**Secondary Structures:** The subject has multiple ancillary structures. We evaluated the ancillary dwellings for each comparable sale and adjusted accordingly.

Please see the adjustment grid on the following page for details.

Sales Comparison Analysis			Comparable 1			Comparable 2			Comparable 3				
ITEM	SUBJECT		Comparable 1			Comparable 2			Comparable 3				
Location	Carters Grove		Saint Brides	Curles Neck Farm			Merifields			\$14,600,000			
Proximity to Subject			160 mile northwest	56 miles west			122 miles northwest			11,716			
Sale Price				\$14,950,000			\$25,500,000			\$11,246			
Gross Living Area				11,197			6,000			\$1,246			
Price/SF Gross Living				\$1,335			\$4,250			\$35,056			
Price/Acre				\$97,712			\$4,625						
Verification Source			MLS, Public Records, Broker	MLS, Public Records, Broker			MLS, Public Records						
Value Adjustments			DESCRIPTION	DESCRIPTION			ADJUSTMENT	DESCRIPTION			ADJUSTMENT		
Property Rights	Fee Simple/Open Space Easement		Fee Simple/Open Space Easement	Fee Simple			0%	Fee Simple/Open Space Easement			0%		
Financing			Typical	Typical			0%	Typical			0%		
Conditions of Sale			Arms-Length	Arms-Length			0%	Arms-Length			0%		
Market Conditions/Date of Sale	10/3/2009		7/1/2009	3/6/2005			0%	7/1/2008			0%		
Adjusted Sale Price				\$14,950,000				\$25,500,000			\$14,600,000		
Location	Williamsburg		Fauquier	\$0				\$0			\$0		
Land	400.532		Acres	\$5,022,768				(\$6,927,522)			\$5,031,488		
Quality / Condition	Estate/Estate		153.000 Acres	5,513,430 Acres				\$1,000,000			\$500,000		
Built/Renovation	\$10		Excellent/Excellent	Good/Fair				\$0			\$0		
Above Grade	1619/2000		1917/2000	1896/1950's				\$0			\$0		
Root Count	Total		Bdrms	Total				Total			Total		
Gross Living Area	32		12	7.5				13			8.5.5.5		
Basement	18,709		Sq.Ft.	16				8			(\$37,500)		
Basement Finish	\$25			4				11,716			\$926,573		
Functional Utility	0		Sq.Ft.	4.5.5				Sq.Ft.			\$1,480		
Heating/Cooling	Good			\$52,500				5,429			\$1,480		
Hot/Cold Chiller	Hot/Cold Chiller			\$939,000				Sq.Ft.			\$36,451		
Fireplaces	8			3,000				2,751			\$0		
Garage	17		Car	\$18,271				Car			\$78,000		
Historic Designation	Significant			\$121,370				(\$40,000)			\$500,000		
Secondary Structures	1756478		House, Stables, Bunker	\$1,000,000				\$500,000			\$556,478		
Net Adjustments				Houses, Barns				Minimal			\$7,480,067		
Adjusted Sale Price				\$1,190,478				Houses, lodges, barns			\$22,080,067		
*Quality/Condition does not always equate with Marshall & Swift				\$8,229,975				(\$2,092,650)					
				Net: 55.05%				Net: -8.21%			Net: 51.23%		
				\$23,179,975				\$23,407,351					

Sales Comparison Analysis									
ITEM	SUBJECT			COMPARABLE 4			COMPARABLE 5		
Location				Cloverhill			Evelynton		
Proximity to Subject				120 miles northwest			38 miles west		
Sale Price								\$5,100,000	
Gross Living Area			18,709						6,680
Price/SF Gross Living									\$763
Price/Acre									\$106,029
Verification Source				MLS, Public Records			MLS, Public Records		
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION	ADJUSTMENT	DESCRIPTION	ADJUSTMENT		
Property Rights	Fee Simple/Open Space Easement			Fee Simple/Open Space Easement	0%	Fee Simple/Open Space Easement	0%		
Financing				Typical	0%	Typical	0%		
Conditions of Sale				Arms-Length	0%	Arms-Length	0%		
Market Conditions/Date of Sale	10/3/2009			9/15/2006	0%	4/23/2008	0%		
Adjusted Sale Price					\$13,000,000			\$5,100,000	
Location	Williamsburg			Albemarle	\$0	Charles City	\$0		
Land	400.532	Acres	477.000	Acres	\$2,457,768	48.100	Acres	\$9,179,868	
Quality / Condition	Estate/Estate			Good/Good	\$1,000,000	Good/Good	\$1,000,000	\$0	
Built/Renovation	\$10	1619/2000			\$0	1930's/1980's		\$0	
Above Grade	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths
Room Count	32	12	7.5	8	4	3.5	8	4	3.5
Gross Living Area	\$150	18,709	Sq.Ft.		4,415	Sq.Ft.	\$1,536,605	6,680	Sq.Ft.
Basement	\$25	5,496	Sq.Ft.		1,387	Sq.Ft.	\$73,620	0	Sq.Ft.
Basement Finish	\$15	0	Sq.Ft.		1,387	Sq.Ft.	(\$14,910)	0	Sq.Ft.
Functional Utility	Good			Similar	\$0	Similar	\$0	\$0	
Heating/Cooling	Hot/Cold Chiller			HVAC	\$25,000	HVAC	\$25,000	\$25,000	
Fireplaces	6500	17			\$78,000	4		\$84,500	
Garage	0	Car	0	Car	\$0	0	Car	\$0	
Historic Designation	49.03054	Significant			\$500,000	Limited		\$500,000	
Secondary Structures	1756478	House, Stables, Bunker			\$1,106,478	2 Houses, barns, sheds		\$1,306,478	
Net Adjustments					\$6,822,560			\$13,547,434	
Adjusted Sale Price					Net:	52.48%	\$19,822,560	Net:	265.64%
*Quality/Condition does not always equate with Marshall & Swift									

**Conclusion to Sales Comparison Approach**

The comparable sales indicate a narrow value range between \$18,647,434 and \$23,407,351, with a mean of \$21,427,477.

Each estate property is unique, with different degrees of manor house, dependencies, land and conservation easement. In this type of analysis, it is common to have substantial adjustments to account for the uniqueness of each property. Carter's Grove is unique with the quality of manor house, history of the entire property and extensive river frontage along the James River. The subject is estimated to have a market value within the middle of the range established by the comparable sales. Comparables 4 and 5 are historic properties, but do not have manor houses such as the subject and are located in somewhat inferior locations. Comparables 1 and 3 had excellent quality manor houses and are somewhat comparable to the subject. Comparable 2 is included because of its large land size along the James River, but the manor house is average.

Our opinion of value for Historic Carter's Grove via the Sales Comparison Method is estimated to be, as of October 3, 2009:

**TWENTY ONE MILLION DOLLARS ..... \$21,000,000**

No personal property, fixtures, equipment, or intangibles are included in this value.

## **RECONCILIATION AND FINAL VALUE**

The three indications of the market value "as is" of the fee simple estate in the subject property as of October 3, 2009, are as follows:

Cost Approach	\$21,250,000
Sales Comparison Approach	\$21,000,000
Income Capitalization Approach	na

The Cost Approach involves deriving the value of the land by comparing it with other properties in the general area. The depreciated estimate of replacement cost is derived and added to the value of the land. Less weight is placed on the Cost Approach due the availability of adequate sales in the Sales Comparison Approach. The value indicated by the Cost Approach supports the final value conclusion.

The Sales Comparison Approach is a valid indication of value if there are a significant number of comparable improved sales. There were sufficient comparable sales to develop this approach; however, the volume of recent comparable transactions has been very low in the subject neighborhood and for historic estates as the subject. The sales are recent and shared somewhat similar characteristics, but the comparables required substantial adjustments in order to adjust for the subject's uniqueness. Most weight is placed on the Sales Comparison Approach, while the Cost Approach supports the final value conclusion.

The Income Approach provides a reliable indication of value particularly for leased properties. This approach relates the projected income stream to an estimate of value based on the investor's return requirements. Estate properties, such as the subject, are not generally bought, sold, or used for income production. In such cases, the Income Approach cannot be accurately developed, nor would it provide a reliable indication of value. The Income Approach has not been developed in this analysis.

Based on the research and analysis, we conclude that the fee simple estate in the subject property, subject to the assumptions and limiting conditions stated in the report, had a market value "as is", as of October 3, 2009, of:

**TWENTY-ONE MILLION DOLLARS ..... \$21,000,000**

**Estimate of Exposure Time**

Reasonable exposure time is defined as the estimated length of time that a property would have to have been offered on the market prior to the hypothetical sale at the estimated market value on the effective date of the appraisal. Based on the exposure periods for comparable properties in the area that have sold in recent years, as well as current market conditions, a reasonable exposure time of six to twelve months is estimated for the subject.

**Estimate of Marketing Time**

Marketing time is defined as the estimated length of time that it would take to sell a property at its market value occurring immediately after the effective date of the appraisal. A marketing time of six to twelve months is estimated for the subject.